

**China Council for International Cooperation on Environment and Development
2013 CCICED Annual General Meeting**

Policy Recommendations to the Government of China

The 2nd Annual General Meeting of the China Council for International Cooperation on Environment and Development (CCICED) Phase V was held from 13 to 15 November 2013 in Beijing with the theme of “Environment and Society for Green Development”.

CCICED members appreciate the shift in green strategic thinking and major initiatives of the new leadership of China’s government. We specifically note: the green development emphasis in the 12th Five-Year Plan (FYP); the significant foothold Ecological Civilization has gained recently in China’s society; and, within the “China Dream”, the vision of a “Beautiful China” which can inspire Chinese green prosperity actions. Members believe that the commitment towards economic reform within China provides substantial opportunities for transformative environmental improvements. The new *Air Pollution Control Action Plan (APCAP)* highlights to us the new level of determination and commitment by China’s government to environmental protection that is urgently needed.

The Council members are particularly pleased to learn of the comprehensive reforms agreed upon at the 3rd Plenum of the 18th Communist Party of China’s Central Committee. These reforms will be of great value for the construction of China’s Ecological Civilization since they effectively link environment with other key domains, including economic, political, cultural and social development. Internationally, CCICED Members also appreciate the incorporation of Ecological Civilization into decision document (Decision 27/8) by the 27th Governing Council of UNEP (First Universal Session). CCICED expects that Ecological Civilization can become a ‘Made in China’ enhanced version of sustainable development and a new path for China’s environmental protection that enlightens and contributes to global sustainable development.

Environmental problems involve social values. Therefore solutions must be to form environment-friendly social values, ethics and culture, thus establishing a new institutional framework and patterns of behavior that encourage harmony between people and nature, and that guide transformation of the entire society towards green development and social harmony. An Ecological Civilization is the only type of civilization that is sustainable in the long term.

Yet CCICED members also recognize the huge environment and development challenges China is now facing. Some are of a global nature such as climate change; others are of a national or local nature. The world has taken note of the large scale, frequent and long-lasting haze/smog pollution occurrences in various regions of China.

Despite the significant efforts of China's government on environmental protection and on mainstreaming transformation of the development mode, the environmental situation is becoming more serious. Problems are becoming more complex, with an array of legacy issues arising from past development and new environmental issues that are often associated with rising levels of industrial development and modern levels of energy use and domestic consumption; difficulties and lags in changing the development mode. Inadequate implementation of some environmental policies and enforcement limitations of laws and regulations are serious challenges.

When considering people's reaction to smog pollution and public concerns about environmental and health impacts of construction projects, it is apparent that the relationship between environment and society has significantly changed with the progress on social development of China.

On the one hand, environmental issues now have greater impacts on quality of life, for example through the impact of environmental pollution on public health, and there is a need for greater recognition of the rights of environmental pollution victims and more equality of access to environmental public services. On the other hand, there are significant changes in terms of extent, methods and effects of public reaction on environmental issues. It is beneficial for the public to demand environmental information disclosure, to report and monitor environmental pollution and damaging activities and to supervise government performance. China, like other countries will have to set out fair and reasonable protocols for addressing NIMBY ("Not In My Backyard") situations, and for other public responses to proposed projects. These protocols will require greater attention to mechanisms for dispute resolution.

China's decision-makers need to identify key areas and prominent issues that currently and in the future will affect environment and society linkages in China, and clarify new policy directions that can be followed by gradual establishment and improvement of specific policies. Specifically, the following seven areas of social concern require attention: environment and health, environment and social risk, environment and social justice, environment and poverty, environment and employment, environment and sustainable consumption, and NIMBY issues.

At this stage of China's development, and in a time of expanding use of social media and the need for further public information dissemination, what constitutes appropriate environmental rights and public or private sector obligations obviously requires good judgment. There is an apparent need to shift towards a new approach for accurate information dissemination, whether on project planning and environmental assessment, or for more fundamental environmental monitoring and other knowledge. This new approach would make the default decision be to release environmental information on a timely and regular basis so that people could be well informed on important matters that pertain to their daily lives.

CCICED Members believe that great opportunities exist for transformative change in China's relationship between environment and society. A prominent example is the need for setting in place sustainable consumption as part of stimulating domestic consumption. Furthermore, a reasonable foundation already exists for establishing an overall green and coordinated relationship of environment, society and development. Environmental awareness of the Chinese people is increasing in both breadth and depth. Thus, demands of the people for reasonable environmental rights and rational environmental behavior will become a strong social pressure and driving force to promote environmental protection. Already, there is positive change of understanding on environment and society relationship on the part of China's government, illustrated by a deep understanding statement from Chinese leaders—that “a sound ecological environment is the fairest public good, and most beneficial welfare”.

In 2013 CCICED focused its studies on several key fields of environment and society linkages in China. These studies included the following task forces (TF) and special policy studies (SPS):

- China Environmental Protection and Social Development TF.
- Sustainable Consumption and Green Development TF.
- Media and Public Participation Policies on Promoting China's Green Development SPS.
- Corporate Social Responsibility in Green Development in China SPS.
- Promoting Urban Green Travel SPS.

Based on outcomes of these 2013 studies, discussions during the AGM, and other inputs, CCICED is providing five major policy recommendations to the Government of China.

RECOMMENDATION 1. Speed up institutional innovation and implementation of Ecological Civilization, in order to strengthen green development and to establish a more harmonious relationship of environment and society in China

While China now has clearer strategic thinking and an overall arrangement for Ecological Civilization, the institutional system for implementation lags behind in terms of adequacy and innovation. Implementation at local levels has yet to be embraced across key sectors and deepened in terms of content. Therefore, the Government of China should pay high attention to speeding up top-level design for an institutional system that can construct and implement a coherent and coordinated approach to Ecological Civilization. This institutional system must be capable of shifting values, people's behavior, lifestyle choices, and both production and consumption towards patterns of long-term sustainability and goals of improved environmental use and protection, strengthened ecological services, and due respect for nature.

Institutional innovation is required to redirect decisions from a “sectoral” approach towards a “whole of government” approach that will reduce actions that work at cross-purposes, turn public environmental behavior into positive energy for environmental protection, and enable environmental protection to fulfill its obligations towards safeguarding environmental services and related public goods. Climate change is already causing problems and is a major future risk. Avoiding decisions that lock China into a high emission economy, while charting a future path to a low carbon economy and preparing adaptation responses to climate risks are all part of Ecological Civilization.

CCICED recommends the following actions:

(1) Speed up improvement of top-level design and comprehensively promote practical implementation of Ecological Civilization.

- 1) In line with the Third Plenum reform directions, establish the appropriate institutions and systems for Ecological Civilization implementation. Promptly develop guidelines for strengthening Ecological Civilization construction in the immediate future, and formulate Ecological Civilization mid-term (2015-2030) and long-term (to 2050) vision, objectives and plans, with a greater degree of public participation and expert inputs. This vision will provide a basis for the preparation and establishment of indicators, statistics and accounting systems. Establish a high-level leading and coordination mechanism for construction of Ecological Civilization. The mechanism should receive inputs from various stakeholders; identify implementation actions; identify responsibilities of central and local governments, and among government agencies; and recommend channels for the necessary sustainable financing including new local sources of revenue.
- 2) Create the most stringent and effective as possible resource and environmental protection system. Speed up relevant legislation processes to complete a comprehensive revision of the Environmental Protection Law and specific supporting laws and regulations. Conduct pro-environment modifications to economic and social laws and regulations so they become consistent with Ecological Civilization requirements. Define a comprehensive and credible ecological redlining approach. Establish an accountability and compensation regime for resource and environmental damages, as well as improved mechanisms of payment for resource uses and environmental services; extend the scope and degree of ecological compensation to balance and coordinate equitable distribution of resource and environmental benefits.

Speed up institutional reform for eco-environmental protection management; establish an environmental governance system for unified supervision of all

pollutants, all emission sources, all environmental components, and all ecosystems. Establish a regional joint action mechanism that coordinates terrestrial and marine regimes for ecosystem conservation and restoration, and for pollution prevention and control.

China's central government should use economic incentives to encourage local pilot efforts for Ecological Civilization construction, and gradually form an overall pattern of building Ecological Civilization initiatives in line with specific local conditions.

- 3) Carry out a study on green accounting needs for the national economy, and gradually establish a national economy evaluation system incorporating resource consumption, environmental damage, and environmental protection benefits. Incorporate Ecological Civilization progress as an important indicator into the local government official performance evaluation system.
- 4) As China is moving towards the final years of the 12th Five-Year Plan, it is important for the Chinese Government to examine and identify characteristics of economic, social, and environmental development for the 13th Five-Year Plan, and to set up mid- and long-term goals and measures for green development, environmental protection, energy conservation and emissions reduction, and climate change for the future 5 to 15 years.

(2) Focus greater effort on resolution of prominent environmental issues such as air, water and soil pollution, in order to meet basic public demands for a healthy environment.

Enjoying a healthy environment is a basic right for people. Severe pollution issues that significantly affect public health and life are key factors leading to current tensions and non-harmonious environment and society relationships in China. Therefore, effectively solving these issues is a fundamental approach to reduce societal tensions. The *Air Pollution Control Action Plan (APCAP)* is a good start. However, the Government of China should develop special action plans for other environmental issues that seriously affect public health and life such as water pollution, soil pollution and rural environmental problems.

The key element for an environmental action plan is to have a credible and implementable approach that will result in demonstrable improvement in environmental quality for prescribed time periods. Concerning implementation of *APCAP*, the central government should focus its supervision and coordination efforts on three aspects: (i) strengthening overall action implementation by local governments and step up review and accountability; (ii) fulfillment of responsibilities of central government agencies, especially the development of supporting policies for investment, fiscal arrangements, taxation, finance, price, trade and science &

technology; and (iii) joint actions among local governments within each region. The supervision of enterprise actions should fall mainly under the responsibility of local government and environmental authority, with full utilization of public and social organizations.

The fundamental approach to resolve current prominent environmental issues such as air pollution is to change the economic growth mode and adjust the energy structure. Measures such as a cap on the total consumption of coal and improved fuel quality are necessary parts of such a shift. In order to fully realize co-benefits arising from economy, environment and energy measures, it is important to coordinate efforts for reduction of conventional pollutants, energy conservation, and for low carbon development. Market-based long-term mechanisms including pricing, taxation and emissions trading are important instruments for this coordinated effort. It is further recommended that efforts be stepped up in exploring and creating new funding mechanisms and resources for environmental protection and environmental investments. These approaches are not only critical measures for the success of *APCAP*, but also effective mechanisms to ensure long-term effects continue after completion of the action plan.

(3) Improve governance policies for green development and speed up transformation of environmental governance.

- 1) Government agencies at all levels should explicitly take environmental protection concerns into account in all aspects of their governance and decision-making, such as economic/social and cultural construction, development of programs and policies, policy implementation and evaluation, and performance evaluation. Government and staff should be evaluated and promoted on the basis of delivery of sustainable/green development.
- 2) Clearly recognize environmental rights as a basic component of citizens' rights. This should be done through legislation, and be considered as a basic principle for policy development in economic, social and environmental fields. Ensure public environmental rights are protected through concrete institutional systems based on the rule of law, including litigation, incentives and compensation.
- 3) Strengthen ecological compensation and pollution damage compensation mechanisms to reasonably solve unbalanced and unjust distribution of environmental benefits and costs between regions, urban and rural areas, and among different social groups.

(4) Reform Environmental Impact Assessments (EIAs) and Social Impact Assessments in a systematic manner.

An environmental and social assessment mechanism for major policies should be implemented and made to work effectively. To be convincing, the approach should be

based on principles of openness and transparency and on meaningful public access. Specific actions should include:

- 1) Establishment of a “pre-approval” screening system for major projects with environmental and social implications. Introduce third-party assessment mechanisms for social and environmental impacts. Policies and reforms are needed to ensure public environmental interests are better served.
 - 2) In the event of failure by cadres to strictly follow the assessment process, such failures should seriously be taken into account in the regular evaluation of such cadres.
 - 3) The building of a more robust and anticipatory environmental emergency response mechanism should be given priority. Review the adequacy of plans for existing facilities, beginning with large projects in proximity to populations or to water resources. Set up hierarchy of priority industries and locations.
 - 4) The provision of timely, and accurate information during environmental incidents is important. Full advantage should also be taken of new media platforms to ensure more widespread and accurate knowledge of such incidents.
- (5) Improve environmental governance structure by establishing robust green government-public-enterprise partnerships.**

In the current environmental governance structure in China, the roles and responsibilities of various actors and stakeholders are not always well defined, and there is sometimes a lack of effective communication and consultation mechanisms. Therefore, a primary task of improving environmental governance is to clarify the roles and responsibilities of government, enterprises, and the public as key stakeholders in Ecological Civilization construction, green development, and environmental protection. CCICED suggests the following roles, rights and responsibilities for each sector:

- 1) Government – As necessary, develop regulations, policies and an institutional system to regulate behavior of all important actors (including the government itself); enable cooperation among various actors; build trust in the relationship between government and society on environment and green development issues; strengthen environmental awareness and capacity of enterprises and the public; and encourage the role of social organizations in environment and development. Develop a “balanced scorecard” for all SOEs, local and provincial governments and key ministries whereby Corporate Environmental and Social Responsibility can be taken into account.
- 2) Enterprises (SOEs and private sector) – Strictly follow environmental regulations and mandatory standards and implement basic environmental obligations; behave environmentally responsible according to industrial and corporate standards and guidelines; and cooperate with other stakeholders such as media and environmental

non-governmental organizations (NGOs) to enhance corporate environmental and social responsibilities. Ensure establishment of an internal environmental management structure within SOEs and large private enterprises. Publicly reveal the identity of the corporate officer responsible for these matters.

- 3) Public and social organizations – Explore innovative social governance mechanisms for environmental protection; integrate various social resources and forces to establish more effective communication mechanisms between the public and government through which public opinions can be communicated in a rational and effective way; establish consistent, effective and widespread public participation mechanisms in environmental decision making; clarify supervision and evaluation roles for citizens in environmental management processes and for performance of government and public sectors; conduct participatory environmental education and awareness raising activities.

(6) Ensure equal standing of environmental, economic and social issues in national and provincial planning and reporting.

- 1) From the 13th FYP, the five-year plan of the Chinese government should be listed as the National Economic, Social and Environmental Development Plan. The National Economic and Social Development Report submitted by the Chinese government to the National People's Congress and the Chinese Political Consultative Conference (NPC & CPPCC) would then also have been changed to the National Economic, Social and Environmental Development Report accordingly. A similar adjustment should be made at the provincial level.
- 2) To support this change, the Government should submit to the National People's Congress an annual report with the achievements made by the Government and with equal emphasis on the economy, society and environment. In this way the Government will demonstrate responsibility for environmental protection in China, and clarify the relationship between the three key elements for sustainable development progress.

RECOMMENDATION 2. Change consumption patterns towards sustainable consumption in order to drive green development

In China, economic reform and social development requires stimulation of domestic consumption. This may result in dramatic shifts on the expenditure patterns of China's citizens, especially the rising middle class in both cities and the countryside. It would be disastrous for an excessively high level of per capita consumption based on western levels of energy and materialism to replace the frugal habits of most Chinese. Yet, China's rising ecological footprint and other evidence suggests that substantial numbers of Chinese are already following a path of high consumption.

Sustainable consumption is a topic that has not received sufficient attention in China. It requires urgent consideration in order to identify sustainable consumption patterns

appropriate for China, and to encourage people to adopt lifestyles and purchasing decisions accordingly. The Government of China can take various enabling measures, including incentives, laws and regulations and information dissemination relevant to sustainable consumption. Therefore, CCICED recommends:

(1) Incorporate sustainable consumption as an important element of Ecological Civilization construction.

Develop and implement a national sustainable consumption strategy and action plan consistent with Ecological Civilization and Green Development, and formulate a sustainable consumption road map.

The national sustainable consumption action plan should: (i) Select priorities among consumption themes where there are major resource and environmental impacts such as housing, household appliances, travel options, and food. Specific attention should be placed on green building codes and incentives. (ii) For the short-term, incorporate the sustainable consumption concept into the 13th FYP and establish an institutional foundation. For the mid-term (to 2030), establish and improve the legal framework to promote sustainable consumption pattern among the emerging urban middle class in China. For the longer-term (to 2050), further enhance the sustainable consumption capacity and level in the whole society including the transition to an extremely low carbon society successfully adapted to climate change considerations. And, (iii) Develop differentiated sustainable consumption strategies for different regions, cities and consumer groups.

- 1) Improve laws and regulations that promote sustainable consumption. In the short-term, incorporate the concept of sustainable consumption into the currently being-revised *Environmental Protection Law*, *Consumer Rights Protection Law* and *Government Procurement Law*. For the longer-term, consider development of a special *Sustainable Consumption Promotion Law* to reconcile the relationship among consumer rights protection, food safety, environmental protection and sustainable consumption.
- 2) Reform and improve pricing, taxation and financial incentive policies that promote sustainable consumption. Strengthen public transport financial support, including increased funding for local public transport development. Redesign government subsidy programs drawing on the “appliance to countryside policy” and “old appliance trade-in policy”, and focus subsidies on the top 10% best performance products. Impose environmental taxes on resource-intensive or emission-intensive consumption products. Link family income tax breaks with sustainable consumption, encourage recycling of product and waste resources, and provide low interest credit for purchasing green buildings.
- 3) Strengthen sustainable public procurement and give preferential purchase

treatment to products from green supply chains. Update the current energy-saving products catalog and environmental label inventory, and assign mandatory quotas for government procurement of green products and services. Include green standards of hotels for business travel and meetings into government procurement standards. Revise government procurement systems to include new energy and low emission vehicles, and make green supply chains an important indicator for procurement standards.

(2) Promote innovation through sustainable consumption policy and institutional systems.

- 1) Strengthen the credibility and independence of the Chinese green product certification system and enhance China's environmental labeling system. Promote consistency of China's green product certification system with international standards. Establish independent consumer associations and consumer advisory committees, and develop a national database of green products managed by a third-party body charged with collecting and publishing product information.
- 2) Develop a sustainable consumption indicator system at the national, regional and local level and carry out sustainable consumption pilot demonstration. Incorporate sustainable consumption into other programs and plans such as a pilot demonstration of Ecological Civilization construction and low carbon economy. Implement small-scale community pilots and local demonstration initiatives, and a pilot of urban green travel and urban road resources optimization.

(3) Foster sustainable consumption partnerships, with participation by stakeholders.

- 1) Encourage the role of private sector and incorporate sustainable consumption into market-based codes of conduct. Give full play to sectors such as retailers and financial institutions in sustainable consumption. Encourage the establishment of green supply chain management and encourage incorporation of sustainable consumption objectives into the core business of financial institutions.
- 2) Encourage social organizations and consumer groups to participate in development of national and local sustainable consumption policy frameworks. Establish consumer information center in cities to provide dialogue platform for citizen, entrepreneurs and local governments, and to provide advisory service on recycling, products sharing, water saving and food safety. Include sustainable consumption in the school curricula at a national and local level.
- 3) Promote international cooperation in sustainable consumption. Actively participate in multi-lateral policy framework negotiation on sustainable consumption, participate in UNEP's *10 Year Framework Programmes on*

Sustainable Consumption and Production and focus on the topic of sustainable consumption in the WTO government procurement agreement negotiation.

RECOMMENDATION 3. Recognize environmental and social roles of enterprises and promote corporate environmental and social responsibility (CER and CSR)

Enterprises can be the driving force of economic growth but also a primary source of environmental pollution. It is a significant challenge for Chinese enterprises (both SOEs and private sector) to harmonize development and environmental protection, and to explore a green and sustainable development path.

Implementation of corporate social and environmental responsibility has three levels: (i) a basic level of compliance with regulations, (ii) moving beyond compliance by proactive participation, and (iii) taking a leadership level of corporate environmental responsibility. For enterprises at different levels, government should develop corresponding strategies and policies with objectives of punishing enterprises that violate regulations, encouraging voluntary implementation of corporate environmental responsibility, and advancing enterprises where possible to a higher level of green development. Therefore, CCICED recommends:

(1) Developing a national strategy and action plan for corporate environmental and social responsibility.

Address different needs of state-owned enterprises (SOEs) and small and medium-size enterprises (SMEs), and develop differentiated national strategies and action plans to promote CER/CSR; define cooperative relationships involving government, enterprises and society; and clarify responsibilities of various government departments. In boosting CSR and CER practices, implement the polluter pays principle.

(2) Develop a working mechanism for social organizations and industrial associations to press for corporate social and environmental responsibility.

Encourage industrial associations to play an important role in standards development, guidance and self-discipline to support implementation of CER/CSR by enterprises.

Advocate corporate environmental responsibility initiatives, and encourage supervision and active participation of the public. Encourage social organizations, media and internet sources to play a full role in performance evaluation, information disclosure, supervision of behavior and public feedback. Strengthen international cooperation and learn from success stories.

(3) Enhance CSR and CER incentives and other mechanisms for stimulating

actions beyond compliance.

Strengthen supporting laws and regulations for implementation of CER/CSR. Enhance coordination of *Corporation Law*, *Environmental Protection Law*, *Consumers Rights Protection Law* and *Labor Law*, increase punishment of enterprises not in compliance with the laws and regulations; promote establishment of local environmental protection courts and improve relevant juridical practices; support environmental public litigation and enable the supervision function of social organizations.

Actively construct the financial investment environment to promote CER/CSR. Promote green investment and credit, for example, through establishment of investment funds that can provide interest discounts or subsidies to enterprises with good CER/CSR performance. Provide priority government procurement support to enterprises with good CER/CSR performance.

Government should give priority to public policies that provide incentives for SMEs to fulfill CER/CSR. In addition, government should pay attention to policy and capacity building for Chinese overseas enterprises to meet CER/CSR requirements. Specific attention needs to be paid to cultural differences in terms of local expectations abroad about corporate responsibility and performance.

(4) Improve information disclosure systems of CSR and CER performance to increase transparency.

- 1) Increase the extent of enterprise's environmental information disclosure. Build a tracking system for enterprise social and environmental information; pay attention to environmental information storage, processing and analysis; regulate enterprise environmental information disclosure; and improve rewards and penalty measures for enterprise information disclosure.
- 2) Develop sectoral reporting requirements based on industrial characteristics.
- 3) Promote industrial associations to build an information platform on Chinese firms' CER/CSR implementation record.

RECOMMENDATION 4. Promote active roles of media and public participation in order to turn social concern for environment into a driving force for green development

The public is the major and essential stakeholder in Ecological Civilization construction, and is the direct beneficiary of green transformation of economy and environmental quality improvement. China's Ecological Civilization will lay a solid foundation and make sustainable progress only when it is widely and effectively

supported by the public. While facing the growing public concerns and inspirations on environmental issues, the government is not yet well prepared to transform the public concerns and inspirations into an orderly and rational public participation. There is an urgent need to enhance government functional shifts and capacity building on environmental education, knowledge dissemination, information disclosure and emergency response so that the roles of media (especially new media) can be fully realized. Therefore, CCICED recommends:

(1) Improvements to the institutional system in order to promote legitimate, orderly and rational public participation.

- 1) Develop measures and mechanisms for early engagement, transparent and effective public participation in planning and project decisions. Effective public participation in early stages will contribute to green development, reduce social conflicts and improve decision-making and its social acceptance.
- 2) Develop a more complete emergency response system for environmental accidents and mass incidents. First, ensure rapid information disclosure and transparency. This includes timely and accurate information provided to media (traditional and new media), online information disclosure tools that the public can access, response guidelines, process transparency, and relevant risk information. Second, provide rational access and channels for public opinion expression. Related laws and regulations need to be issued to encourage and protect whistleblowers, and to ensure that environmental issues, accident and emergency are reported without delay.
- 3) Support development of environmental NGOs. Simplify registration procedures for NGOs and non-corporate social groups, encourage their development and growth; actively guide and standardize the development of different public environmental organizations, give full play of industrial associations in environmental protection, actively encourage and lead environmental organizations and urban/rural communities engaging in environmental protection.

(2) Promote implementation and completion of environmental information disclosure systems.

- 1) Further improve and implement environmental information disclosure systems. Providing real-time and reliable information will help produce better decision and improve public support to government decisions. Integrate currently scattered environmental information and data in different institutions and departments, and develop an accessible national environmental information and data system. Based on the experience gained in implementing *Government Information Disclosure Regulation* issued in 2008, effort needs to be made to develop an information disclosure law. With such a law, the government needs to ensure the right of the

public to timely access of information, to embrace the principles of the 1992 *Rio Declaration on Environment and Development*, and to ensure the public can obtain information in line with common international standards.

- 2) Develop a pollutant inventory for industrial point sources and other emission sources, and improve monitoring capacity and transparency of pollution data. Development of pollutant inventory can draw on experience of the *Pollutant Release and Transfer Register (PRTR)* now in use in many countries. Such a system could initially be piloted in the chemical industry within China, which has had many mass incidents due to high levels of public concern.

(3) Enhance the role of media to form a communication and education system promoting green development.

- 1) Enhance the utilization of new media platforms and public information dissemination activities for green development. New media technology can be more widely used to provide open, detailed, accurate and real-time environmental information and to establish an important platform for collecting public opinions on environmental and development decision-making. Media's social responsibility needs to be enhanced to ensure information authenticity and accuracy.
- 2) Strengthen the environment and green development information dissemination and education systems. Establish specific working organizations and mechanisms for environmental strategy dissemination and public participation to study and predict environmental hot topics for a certain period of time or more generally in the future, and to promote public participation and public acceptance of environmental decisions.

RECOMMENDATION 5. Pay high attention to resource and environment challenges in the process of urbanization, and explore paths to green urbanization including urban green transportation

Urbanization is an opportunity because people's needs can be met more efficiently in urban areas than in rural areas. Cities are the drivers of economic growth but great care is required to ensure that cities remain or become attractive places to live and work. It is predicted that permanent urban residents in China will reach 1 billion and China's urbanization rate will reach around 70% in the coming two decades. About 300 million people will emigrate from rural area into cities. Undoubtedly, this will make many problems become more prominent, such as mismatches in the spatial distribution of urbanization and resource capacity, and other resource and environmental constraints. Thus, the Government of China needs to pay high attention to the environment risks in the coming new round of urbanization. Therefore, CCICED recommends:

(1) Develop urbanization systems and layout in line with resource and environmental capacity.

Strictly control the scale of cities in defined urban areas of the *National Main Functional Zoning Plan*; optimize layout of urban development; and promote coordinated development of cities and small-towns. Place special emphasis on urbanization quality in the rapid development pattern now occurring in Western China. Maintain and reserve adequate ecological spaces, properly handle the relationships among urbanization, new countryside construction, and ecological service and nature reserves, and encourage the adoption of “compact and multi-centred” city plans.

(2) Accelerate adoption of an integrated and sustainable urban master plan.

Such a master plan is an important measure to integrate environment elements into urban space, with rational allocation and use of local resources and environments. Expand the scope of pilot demonstrations for creation of urban environment master plans, and establish/improve standards, specifications and an institutional system for these plans.

(3) Improve urban resource and energy efficiency.

Urbanization should facilitate sustainable production and consumption to minimize environmental impacts. Actively promote green building standards, green architecture design and green community construction. Vigorously promote green transportation, enforce urban energy and water conservation management, and increase usage of renewable energy as much as possible.

(4) Build urban environmental infrastructure along with urbanization process.

Construct environmental infrastructure such as waste water treatment, solid waste separation, collection and disposal facilities and hazardous waste management facilities according to population and urban function layout. Enhance operation management of urban environment infrastructure.

(5) Encourage and promote urban green travel.

China’s urban transport systems are presently on the wrong course—leading towards low density and socially divisive car dependency. The government should urgently address the promotion of urban green travel as part of the necessary transformation of China’s urban development strategies; and facilitate establishment of a modern, low emission, and high efficiency green public transport system. This requires attention to cross-sector coordination and cooperation for better designed policies of car usage and public transport development; strengthening of the ability of the central government to encourage and pressure local governments to develop urban green

travel through financial leverage and other means; providing clear guidance for Chinese cities to promote green travel; and enhancing local governments' capacity to finance, supervise and assess the urban transport system.

- 1) Develop the 'Outline of China Urban Green Travel Implementation'. Speed up developing or amending Urban Public Transport and Chinese Cleaner Air Act; carry out pilot projects to promote urban green travel and build a modern urban green transport system with Chinese characteristics.
- 2) Formulate 'Policy Guidelines for the Rational Use of Vehicles and Road Space' to reduce congestion and air pollution. Road user charges should be encouraged in congested areas in mega cities, and greater limitations on car ownership should be implemented.
- 3) Support investment in urban green transport to raise sufficient and sustainable local sources of revenue to fund local public transport companies. The Central Government should establish a management system for the central fiscal fund that promotes green travel as well as monitor and appraise the usage of the fund, for example shifting the fuel tax collection from a fixed amount of tax to an *ad valorem* basis, so that fuel tax income increases as fuel prices rise.
- 4) The state and city administrations should be required to ensure cross ministry/department policy coordination, as well as enhanced performance appraisal and management accountability. Public participation should be encouraged. Set up a coordinating mechanism to promote urban green travel